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C O N F I D E N T I A L SECTION 01 OF 02 PORT AU PRINCE 000973

SIPDIS

STATE FOR WHA/CAR, DRL, S/CRS, INR/IAA SOUTHCOM ALSO FOR POLAD STATE PASS AID FOR LAC/CAR TREASURY FOR MAUREEN WAFER

E.O. 12958: DECL: 07/08/2018

TAGS: PGOV PREL HA

SUBJECT: WHA/PDAS KELLY MEETING WITH PRESIDENT PREVAL

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Classified By: Ambassador Janet Sanderson. Reason: E.O. 12958 1.4 (b), (d).

- 11. (C) Summary: WHA PDAS Kelly urged Haitian President Preval to join the trend in the hemisphere toward strengthened democratic institutions and open markets, and to move beyond the current political impasse and get a new government confirmed. The President retorted that Haiti could not advance unless the U.S. arrested major Haitian drug traffickers. Haiti's development hinged on getting control of the drug trade -- which had infiltrated Haiti's police and parliament -- as well as the associated corruption and money laundering. PDAS Kelly pointed out that other countries in the hemisphere had made progress by fighting drug trafficking and tackling economic growth concurrently, including by creating a partnership between the government and the private sector. End summary.
- 12. (C) WHA PDAS Craig Kelly met with President Rene Preval June 24, accompanied by the Ambassador and PolCouns (notetaker). President Preval was accompanied by his economic advisor Gabriel Verret and his political adviser Paul Denis. DAS Kelly underscored U.S. optimism toward the hemispheric trend toward strengthening of democratic institutions coupled with greater economic growth through open markets, while countries at the same time paid greater attention to social issues such as access of the poor to health and education. Chile was the best example of this trend. The U.S. hoped Haiti could participate in this hemispheric trend toward opening.
- 13. (C) PDAS Kelly noted that higher transport costs caused by sharply higher oil prices might also give Haitian exports a comparative advantage in close-by markets such as the U.S. The U.S. and international community commitment to Haiti was strong for now, but would not remain so forever. There was a sense of urgency in Washington that Haiti should take advantage of the current favorable conjuncture, get a new government approved, and move beyond the current political impasse. We took hope from the fact that the President recently had designated a new Prime Minister nominee, Michele Pierre-Louis.
- 14. (C) President Preval underscored that Haiti had made

considerable progress, but that it was not realistic to expect it to move more rapidly. Haiti had gone 50 years without a functioning legislature. Many deputies were serving in the legislature for the first time and were still learning their jobs. Political parties were weak; the legislative branch was weak, as was the executive branch. Haiti's constitution had to be redone. Despite these difficulties, Haiti had achieved macro-economic stability.

- 15. (C) Preval went on to review the challenge of getting a new government confirmed by the legislature. He was confident that the new majority bloc in the Chamber of Deputies, the ''Cooperative of Progressive Parliamentarians,'' which was instrumental in the rejection of his previous two Prime Minister nominees, was now disposed to confirm his third PM nominee, Michele Pierre-Louis.
- 16. (C) The President then gave his trademark presentation that drug trafficking was the single biggest obstacle to Haiti's development, and had to be mastered before Haiti could move on other fronts. He expressed bafflement at why the U.S. had not arrested Guy Philippe and ''Flex.'' These were ''amateurs,'' not someone like (late Colombian drug trafficker) Pablo Escobar. The U.S. arresting them would send out a deterrent signal to the drug trafficking world. Preval admitted that Philippe had ties inside the police and was well-organized. He also admitted that many drugs came to Haiti from Venezuela, but he insisted that the U.S. should fight the problem in Haiti. Preval feared that traffickers, including Guy Philippe, would finance candidates in the next elections or seek election themselves to obtain immunity from prosecution. He said there were several traffickers currently with seats in parliament. Preval said he had met Colombian President Uribe and Argentinean President Fernandez

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at a recent summit in Nicaragua, where they had proposed a regional conference for August 13 on drugs. Preval said he wanted ''results, not conferences.''

- 17. (C) PDAS Kelly replied that the Colombian and other examples showed that even where drug trafficking was an existential threat, governments had to address concurrently all other issues, especially economic development. Experience showed that economic development helped anti-drug efforts. We had seen some positive steps in Haiti, most recently in the renewed authorization for Haitian mango exports to the U.S. (Note: following last year's ban following the discovery of fruit fly infestation of Haitian mangos. End note.)
- 18. (C) The President said that everything depended on getting a handle on drugs, corruption and money-laundering. Preval professed he could not comprehend how a country could develop if there was corruption. PDAS Kelly suggested that it was not feasible to fight corruption for three years and then switch to attracting investment. Governments could pursue multiple objectives at once. He hoped that Haiti could follow in the steps of many countries in the hemisphere such as Chile and establish a new, cooperative relationship between the private sector and the government. The President concluded by insisting that institution-building in Haiti was impossible as long as drugs remained a threat.
- $\P 9$. (U) PDAS Kelly did not have an opportunity to review and clear this message. SANDERSON